



Financial Quicksand: COVID-19 Impact on America's Students

This paper provides a snapshot of the unprecedented impact caused by the spread of the novel coronavirus ("COVID-19") on our students and college communities across America. We must prioritize the economic health of our country and start focusing on the financial stability of students who are accumulating further debt loads, facing job losses, struggling to keep a roof over their head or food on the table, and remain worried about their families.

STUDENT LOAN DEBT

Student Story. Elese L. from Pleasanton, CA is a University of California, Berkeley and UPenn graduate buried in \$140K in loans that add interest each day. Taking a 25-year loan period, she will end up paying back almost double what she borrowed. She asks, "How can everyday Americans be expected to come up from under that? How can I buy a house? How can I afford to have a kid?"

Student Story. Vicki H. from Hayward, CA wrote in concerned that the decision to move to online courses could jeopardize her Department of Veterans Affairs (VA) benefits. Without action, student veterans may lose education benefits as they only receive benefits when in school and not during breaks. She suggests benefits return to the original program that was by term, not enrollment days, and allow continued receipt of benefits during situations such as the coronavirus pandemic.

Student debt is a significant drag on the entire economy as it depresses the purchasing power of millions, preventing individuals from starting families, investing in new businesses, going back to school, and buying homes. Many students were left forgotten [and forced to leave campus](#) almost immediately, endure unforeseen travel expenses, increased household and individual costs, and had to relinquish highly-coveted internships and research opportunities. And for the 22 percent of undergraduate [student parents](#), they must find alternative childcare means as they concentrate on their online courses.

Students were provided with little to no information about reimbursements or refunds for lost in-class tuition and other campus-specific fees. Relieving students and loan borrowers would make a huge impact on those whose pocketbooks are suffering during this COVID-19 pandemic, and even under a good economy. Without action, this problem will only worsen.

Student Story. Nigel S. from Fresno, CA attends Arizona State University and was on spring break when classes transitioned online. He left campus with only the clothes that fit into a carry-on bag. There is no information provided on potential refunds for housing, meal plans or anything else despite thousands of students stuck out of state and have additional costs to travel home.

Even before the COVID-19 pandemic, the U.S. was facing a student debt crisis: outstanding student debt surpasses \$1.6 trillion and more than 9 million borrowers are in default on their student loans. The sheer amount of outstanding debt and number of borrowers impacted pose significant risk to this country's economic well-being. Students struggle to make student loan payments and [are informed](#) to contact their student loan servicer, consider potential long-term financial impact, and submit incessant paperwork with little guidance.

President Donald Trump [announced a temporary student loan interest waiver](#), but this policy change would [do little to immediately help those struggling](#) to pay their bills because of the coronavirus pandemic. In the long term, this proposal would save students thousands in interest charges. A bill to codify the Administration's initiative, H.R. 3751, the *No Student Loan Interest Act*, would eliminate all pending interest charges on existing federal student loans and would eliminate interest charges on all current and future federal student loans by enacting a ZERO PERCENT interest rate.

Constituent Messages. Members of Congress are receiving messages from constituents urging them to "cancel student debt to stimulate the economy":

Excerpt: "Canceling student debt in response to the Coronavirus crisis will help the 45 million people with student loans and stimulate the economy when it is needed most. It will allow borrowers to purchase the necessities their families depend on food on their table, a roof over their head, and critical healthcare. In the long term, a student debt cancellation stimulus would help prevent or reduce the impacts of an upcoming recession. Student debt cancellation can boost GDP by up to \$108 billion a year and add up to 1.5 million jobs per year."

State Response. New York Andrew Cuomo and Attorney General Letitia James [suspended debt collection](#) for medical debt, student loans and other forms of state-referred debt, for at least 30 days, in response to growing financial impairments during COVID-19 outbreak.

University Responses. Colleges and universities are offering emergency funds to students facing financial hardships because of the effects of the COVID-19 outbreak. The University of Carolina system is advising students to apply for assistance through its [Carolina Student Impact Fund](#). The Northern Virginia Community College Educational Foundation launched an [emergency aid fund](#) to help students meet their basic needs. The University of California, [updated](#) the California Congressional delegation on the its on-the-ground efforts and highlighted ways Congress can continue support from the federal government.

Recommendations. We must help America's college students and loan borrowers through debt cancellation during the national coronavirus pandemic. This includes:

- Have the government make—not suspend—monthly loan payments by paying down loans for borrowers each month during the COVID-19 pandemic
- Ensure all borrowers who are delinquent on their loans be put into an immediate interest-free forbearance, to prevent them from going into default.
- Place a moratorium on wage garnishment, Social Security and tax refund offsets.
- Codify the Administration's initiative to suspend interest on student loans.
- Ensure that government-funded monthly payments count toward Public Service Loan Forgiveness and income-driven repayment forgiveness programs.
- Waive the Return of Title IV Funds requirement for students on a leave of absence.
- **Emergency Financial Aid for Students.** Ensure mandatory funding to help students address basic needs created by unexpected campus closures and COVID-19 related disruptions, including travel, food, housing, and childcare needs for student parents.
- Increase student's access to technology as campus instruction transitions online-- many students will require resources including laptops and internet connectivity.
- Provide immediate assistance through retroactive reduction of tuition costs and mandated campus fees unique to each institution.

STUDENT EMPLOYMENT

As of March 23, 2020, several states issued stay-at-home orders or advisories related to the coronavirus outbreak, including California, Connecticut, Delaware, Illinois, Louisiana, Massachusetts, Michigan, Nevada, New York, New Jersey, Ohio. The longer the coronavirus outbreak lasts, the more of a threat it poses to the world economy. Economic activity has experienced a sudden stop in the wake of quarantines, social or physical distancing, and event cancellations.

Student Story. Alyssa T. from Hayward, CA attends Cal State Fullerton where classes have transitioned online classes. She is not able to go return home because her on-campus job requires student assistants to report to the office to work (Strategic Communication & Brand Management). Bad last minute communication on-campus left her confused about a potential quarantined student living in the on-campus housing community. She says, "I would like to go back home but have to stay because of work and have no way to get back home either."

As jobless [claims rose to 281,000 last week](#), this reflects only the first indications of the impact the coronavirus will have on U.S. employment. This data release is likely just a preview of what's to come as companies slim back due to the coronavirus pandemic. In the absence of national standards, states and localities will continue to adopt measures, some drastic, targeting COVID-19. Student workers and [low-income workers face particularly urgent difficulties](#) as they will be deeply affected by the economic consequences being taken by cities, counties, and regions to contain the outbreak and protect public health.

Student Story. Tabitha R. from Pittsburg, CA, is concerned with her on-campus work study job at UCLA which requires a certain amount of in-person work hours. Teleworking is not an option for her and without work she cannot afford to pay her \$900 a month rent. She says, "I'm scared because if I get evicted, how will it affect my credit score?"

Much of the layoffs so far have come from the leisure & hospitality and retail industries the hardest. These sectors have a high share of hourly workers who will struggle to work from home, including college students with busy academic schedules who rely on hourly jobs for a steady income. Students who see their incomes drop because of job loss or a decline in hours worked will cut spending even on necessities like food and housing. For many students with no means of an income, they will have to make do with savings, if any, or turn to friends and their community in time of need.

Student Story. Vincent R. from Grand Terrace, CA is a student at University of California, Riverside, with registered classes delivered remotely and several of his peers have expressed concern with a lack of access to a device or internet/WIFI for these online classes. Hundreds of students are taking finals this week in addition to the severe stress and anxiety that the coronavirus pandemic has caused to students and our families who must move out by the end of the month, cancel housing and food contracts, and are uncertain how financial aid packages will be impacted.

Student Story. Teg H. from San Ramon, CA (former Capitol Hill intern) is a senior at George Washington University in Washington DC. His campus extended its closure period until the end of the semester. Most of his belongings are still in his DC apartment (the lease of which still needs to be covered) and has created a stressful situation because it is not clear when it would be safe to return and retrieve them following a campus closure during spring break. As a soon to be graduate, additional stressors include that some companies and job recruiters are currently unable to properly facilitate hiring processes resulting in delays or worse and unread applications during the COVID-19 outbreak. He says, "this is by far the most stressful thing for me during this fiasco."

University of California Response. University President Janet Napolitano issued an [executive order](#) making all employees, including certain student workers, eligible to receive up to 128 hours of paid administrative leave available through the end of the year. However, Federal subsidies are needed to ensure that paid leave can be extended to on-campus workers who are not covered by the U.S. Department of Education's [special permission](#) allowing work-study students to continue getting paid during campus closures resulting from COVID-19. In addition, a large portion of student workers and off-campus student workers do not qualify for such paid-leave policy.

California Response. Governor Gavin Newsom removed the [waiting period](#) for new claims for unemployment and disability insurance for Californians who lose work as a result of the COVID-19 outbreak. Workers who are temporarily unemployed due to COVID-19 and meet certain eligibility criteria may receive benefits that range from \$40-\$450 per week.

Recommendations. We must expand unemployment insurance (UI) and ensure that it is available for all temporarily laid off student workers without long-term negative impact to employers' insurance premiums:

- Maximize income supports that can be delivered through existing programs, including federal government financed expansions to food stamps.
- Provide an extension and expansion of unemployment insurance (UI) benefits closer to full paycheck amounts, which would help students within weeks, not months.
- Ensure on-campus and off-campus student workers who have lost their jobs or have had hours reduced are eligible for full unemployment insurance (UI) benefits.
- Provide emergency, interest-free loans for off-campus student workers who have lost their jobs or have had hours reduced.
- Cover all out-of-pocket costs for students' COVID-19 testing, treatments, and cover the entire cost for uninsured students.

Additional Recommendations. Student workers and teaching assistants should be granted increased flexibility as they weigh on or near campus options during this pandemic.

- Guarantee paid administrative leave to student workers whose jobs cannot be performed remotely.
- Streamline access to emergency loans or cost-of-attendance adjustments to students who rely on off-campus jobs to make ends.
- Provide telehealth options to students with university or campus-based health insurance plans and referrals to community partners or reciprocal out-of-state network health benefits.
- Guarantee online continuity of care to students relying on mental health counseling.

STUDENT HOUSING INSECURITY

The Department of Housing and Urban Development (HUD) considers an individual to be homeless if they are sleeping outside, in a place not meant for human habitation such as a car or abandoned building for example, or in an emergency shelter or transitional housing program. HUD issued guidance for public housing authorities, landlords, shelters, and other stakeholders. However, it's essential to provide emergency federal funds to homelessness and housing programs to continue operating during the COVID-19 pandemic.

Student Story. Jaquie D. from Seattle, Washington, was paying for food with a part time job at a movie theatre, living paycheck to paycheck. When her college campus closed, she figured she could stay with a friend, but they had all left town. She resorted to living behind the screen in the theatre she worked where she had to sleep on a coat but was glad not to be on the street, until the theater closed due to the outbreak. She is currently homeless, able to afford Airbnb stays on some days but mostly having to sleep in dangerous places outdoors. She shared this message using Starbucks WIFI while sleeping in a park. She says "I don't want much right now just want a secure place to feel safe. Please provide me with somewhere safe."

As colleges and universities limit campus activity, [students are left scrambling](#) to make other arrangements. Some schools closed campuses altogether, giving students limited notice to vacate. This is alarming considering [a 2019 study](#) where more than half the college students surveyed were housing insecure in the last year, while 45 percent of them were food insecure in the last month, and another 17 percent identified as homeless. Not all students can afford to travel home or have a [place to go outside of campus](#) designations.

Student Story. Josh R. from Dublin, CA is a senior at Reed College in Portland, Oregon. He was informed by email that his campus was shutting down and all students must leave. He rents an on-campus apartment with his partner and is terrified that he won't be able to get back to his parents in California and that he will be left homeless for the next few months. He's especially worried that his partner will have a difficult time arranging travel to a their parent's home in Michigan.

In a given day, more than [500,000](#) people in the United States experience homelessness, and thousands of students nationwide have faced homelessness at some time during the school year. These communities are [disproportionately Black or African American](#), [Native American](#), or [Latinx](#); [people with disabilities](#) and people with [weakened immune systems](#) as a result of chronic stress also experience housing insecurity at higher rates.

Student Story. Melanie H. from Livermore, CA attends college in Lane County, Oregon. She has cystic fibrosis, a severe, life-shortening, genetic lung disease, and because she is at high-risk and her parents are elderly, she decided against traveling home for fear of being infected or spreading infection. The local health department announced its first confirmed case and first confirmed death in the same day. She says, "I strongly encourage you to advocate for increased availability of testing, as when we only have enough to test the severely ill, we are too late to prevent exponential spread."

California Response. Governor Gavin Newsom enacted [emergency actions & authorized](#) \$150 million in funding to protect homeless Californians from COVID-19. California purchased 1,309 trailers and leased two hotels to provide emergency isolation units for individuals facing housing insecurity. He also signed an [executive order](#) granting local jurisdictions flexibility on spending, building shelters and implementing emergency protective measures to mitigate the spread of COVID-19 among vulnerable populations, many of whom have no option to self-quarantine or isolate.

University Response. Some students who live in on-campus residence halls will receive relief from campus housing and dining fees if they decide to move out. Each campus policy varies, but some will provide students with a prorated refund of any campus housing fees that have already been paid, based upon move-out dates. Unfortunately, there is little guidance or support being provided to students who live off-campus as the university has no jurisdiction over private landlords and rental properties.

Cal State East Bay political science professor Danvy Le is leading a [Hayward Community Resource](#), a community-based, local rapid response to COVID-19 and a place for local residents to access information and other resources during the county-issued Shelter in

Place order. The resource is a work in progress with information on local health services, legal services, educational resources, and food distribution centers updated daily.

Recommendations. We must take immediate action to protect the health and safety of people experiencing homelessness during the COVID-19 pandemic and our nation's lowest-income individuals and independent students living away from their parents and families.

- **Housing and shelter.** We must invest significant resources for McKinney-Vento Emergency Solutions Grants to help local communities minimize number of people living on the streets and prevent people from becoming homeless by providing short-term rental assistance, like the Disaster Housing Assistance Program.
- **Moratorium on evictions.** We should ensure a moratorium on evictions to help student renters (living on-campus on university property and off-campus in private property) remain stably housed during and after a Coronavirus outbreak.
- **Rental assistance and eviction prevention.** Low-income renters and student renters will need emergency rental assistance to ensure that they can remain housed during this crisis and not face evictions, and in worst cases, homelessness.

STUDENT FOOD INSECURITY

Student story. Naya B. from Boulder, CO attends the University of Colorado at Boulder. She must be financially independent as her family is not able to help assist during her studies. She relies on her on-campus job to cover rent and food costs, but with the campus closure her position has been deemed non-essential. She can barely make ends with her on-campus job and often relied on overtime hours to pay her expenses. She worries she may not cover the costs for her apartment lease and unable to plan for meals and groceries.

Food insecurity is the condition where households [cannot reliably access](#) adequate, nutritious food. A 2015 University of California [survey of 9,000 students](#) across all 10 campuses shed light on this need: Nearly 1 in 5 students, 19 percent, did not have enough food to eat [due to limited resources](#). Another 23 percent routinely ate substandard food with little variation. These statistics were gathered before the COVID-19 crisis and are only worsening under these extreme circumstances.

According to the Food and Drug Administration (FDA), there are no nationwide shortages of food, although in some cases the inventory of certain foods at local grocery stores might be temporarily low before stores restock. Food production and manufacturing are widely dispersed throughout the country and there are currently no wide-spread disruptions reported in the supply chain. FDA is closely monitoring the food supply chain for any shortages in collaboration with industry and federal and state partners. However, many students rely on their college's food banks and/or meal plans for food. With college students around the country being sent home for the rest of the semester, many students now do not know what they are going to do for daily meals.

States Responses. Across the country schools, states and agencies are doing what little they can to help with student food insecurity. Grand Rapids Community College (Michigan) students facing food insecurity during the coronavirus crisis can pick up bags of food through drive-by pickups over the next three weeks, with bags provided on a first-come, first-served basis. At Loyola University in Chicago (Illinois), students flooded Loyola's community pantry with donations of nonperishable food items as it became clear that campus dining options would quickly become limited. With the majority of campus dining options closing and students being asked to vacate the dorms, students quickly realized their remaining dining dollars would be rendered useless. An hours-plus long line formed outside the student market, as students tried to spend half a semester's worth of money in one trip. Many donated supplies to the community food pantry to help fellow students in need.

In California, the Alameda County Community Food Bank (ACCFB) partners with more than 50 schools, churches, pantries and other agencies across the area to provide healthy food to those in need. Calls to ACCFB's helpline doubled, two thirds of their staff are working onsite at the facility, and about one third are working remotely as they try to meet this growing hunger need while following CDC physical distancing guidelines.

Recommendations.

- Vigorously oppose federal proposals to SNAP that will increase hunger. Remove barriers to Cal Fresh and other hunger-fighting programs, simplify the application process and protect student's safety net.
- Continue to fight for more emergency funding to ensure food banks have adequate food, and the capacity to store and distribute it.
- Ensure that WIC approved foods are stocked in grocery stores and are available to those who can only afford those foods.
- Pursue maximum flexibility for federal nutrition programs.
- Suspend income limits and site restrictions for the Emergency Food Assistance Program (TEFAP).
- Support increased SNAP benefits for all recipients by increasing the thrifty food plan by at least 15 percent to help promote economic stimulus.

Congressman Eric Swalwell represents California's 15th Congressional District, which includes the cities of San Ramon, Dublin, Pleasanton, Livermore, Sunol, Hayward, Union City, Castro Valley, San Lorenzo, Cherryland, Ashland and Fairview as well as parts of Fremont and Danville. The student stories shared in this paper were collected from an online survey entitled, "College Students: How is the Coronavirus Disease 2019 (COVID-19) affecting you?" available [here](#).